

## Remarks

We have amended the claims to more particularly and distinctly define the subject matter of the invention and to better distinguish the invention from the prior art of record. Specifically, we added a modifier to the original phrase 'potential losses' that defines those areas as 'and exposures in business practice, technology, operational procedures, historical experience, compliance with regulations, and possible external threats'.

This distinction shows the difference between the Peters patent cited, which uses questions to determine time horizons and investment experience, and our patent in which we ask the user to respond to specific questions grouped by risk areas to create a risk profile. Nowhere in the Peters patent does the inventor cite the use of a questionnaire to calculate a potential of risk or exposure by risk areas, nor the creation of a risk profile by area. To further assist in clarifying the distinction, we also included the phrase 'and losses including- legal and technological exposures in business practice, operational procedures, historical experience, compliance with regulations, and external threats including infrastructure failures and third party actions

We further modified the claims to change the phrase 'a claim of loss' to the phrase 'of potential loss or exposure' in order to more clearly define our assessment objectives and to better distinguish them from Peters wherein the objective is to assess the risk in a investment portfolio.

The essence of the distinction between our claims and those of Peters lies in the kind of risk being assessed. Peters uses the term 'risk' to attempt to determine when an investor might need the funds invested, in other words a timing risk. We, on the other hand, use the term 'risk' to attempt to determine the potential for actual losses of an entirely different nature, i.e., legal, technological and management. While we both use the term 'risk', the usage of the term is entirely different as is made clear by the language of the respective claims.

The claims have been amended to more particularly and distinctly define the subject matter of the invention and to better distinguish from the prior art of record. No new matter is presented. The number of claims is unchanged.

The claims were rejected as anticipated under 35 U.S.C. §102 by US 2003/0088489 – Peters et al. Reconsideration is requested. The Peters patent fails to meet applicant's invention claimed as a whole. Whereas Peters does not meet all the aspects claimed, there is no bar to a patent presented under 35 U.S.C. §§102 or 103.

The claimed invention is a risk assessment tool whereby a service provider can assess the exposure of subjects, typically business entities, to certain risks of loss and exposure. In the preferred embodiments, the invention is directed to assessing the risks of losses of modern businesses, particularly losses that result from ignorance of arcane rules and recurrent pitfalls of the unwary. Applicants have invented the technique of

composing an "expert" assessment process having an inquiry/response interaction with the user, designed to detect and assess exposure to recurrent pitfalls that have legal, contractual and/or data processing aspects.

There is nothing disclosed or suggested in the Peters reference that would enable a person of ordinary skill to practice applicants' claimed methods for assessing risk of potential loss or exposure, or that would lead routinely to modifying Peter's disclosed techniques to strike out in directions other than those that Peters has specifically disclosed. The differences between the invention and the prior art are such that the invention claimed as a whole is not shown to be obvious. Peters has different objects, achieves them in different ways and produces a different result, including the nature and form of output as compared to the claimed invention.

The Peters questionnaire is a set of questions with the following purpose taken from figure 4a:

The questions we ask are intended to provide some insight into your time horizon (i.e. how much time before you need the money you are investing) and investment experience.

Nowhere is risk mentioned as the purpose of the questions or is risk assessment the stated objective. Our examination of Peters does not disclose any mention made that the Peters questions are seeking to categorize or size the potential risk or exposure.

Applicants use a composed set of pointed questions to elicit responses that enable assessment of the risk of losses. Claim 1, as amended, states particularly and distinctly states that the assessment is one of potential risk or exposure. Dependent claims 5-7 particularly define sets of such losses in successively different claim scope. The categories stated in the dependent claims are losses associated with computational deficiency, denial of service, security breach, violation of legal regulations, violation of established law, tortious conduct, contractual breach, insufficient capacity to meet contractual obligations, breach of commitment of confidentiality, violation of intellectual property rights, and/or failure to adhere to multi-jurisdictional differences in regulations.

The claimed invention may be applied to the assessment of risk of losses and exposures that are potentially insurable, rendering the technique useful to providers of business insurance. The claimed technique is also useful as a business assessment technique in evaluations, or as a self-assessment technique for businesses that are interested in modifying their operations proactively. The point is that the invention assesses risk of loss, not a question of timing or invested funds.

Dependent claims 2-4 and 8-10 particularly state that the method is practiced using a set of expert inquiries to process data respecting the user (or subject being assessed) so as to determine exposure to such losses by pointed expert inquiries. The responses of a user, as well as the collected responses of many users, can populate a database to

enable improved processing and perhaps to improve the accuracy with which losses are related by the system to particular user situations as identified by the users' responses.

Peters lacks a similar teaching or suggestion. In Peters the objective is to compare the users investment portfolio and their appetite for risk to a set of portfolios with predetermined risks and relate this comparison back to the user with alternative investment decisions.

For these reasons, the prior art cannot be said to teach or disclose applicant's invention as a whole. A rejection under 35 U.S.C. §102 is unwarranted. Moreover, the only way that one can even arguably identify in Peters abstracted similar ideas such as the use of questions or some involvement of user information, there is no incentive shown or remotely arguable that would lead a person of ordinary skill to modify Peters in a manner that might lead to applicant's invention claimed as a whole.

The claims have been amended to more particularly define the invention and better to distinguish from the prior art. The differences between the invention and the prior art are such that the subject matter claimed, as a whole, is not shown to have been known or obvious. Therefore, the application is in condition for allowance.

Reconsideration and allowance of claims 1-10 are hereby requested.

Respectfully submitted,

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